

Join us on the second Thursday of every month for a series of "brown bag" seminars sponsored by the National Renewable Energy Laboratory and the U.S. Department of Energy. Each seminar is held at NREL's Washington offices with a video-conference link to Golden, Colorado. Topics focus on new and innovative renewable energy and energy analysis strategies, models, and technologies.



# Energy Analysis Seminar Series

*A "brown bag" analytical seminar series*

## **Flexibility With No Regrets: Energy Efficiency, Tax Reforms, and the Economics of Cutting Carbon Emissions in the United States**

Florentin Krause, Director  
International Project for Sustainable Energy Paths (IPSEP)  
Thursday, January 9, 2002  
Noon–1 p.m.

The analysis presented at this seminar identifies and corrects shortcomings in recent modeling studies regarding the economics of reducing greenhouse gas emissions in the United States. The major assessments of the Kyoto Protocol (by the U.S. Energy Information Administration, the Clinton White House Council of Economic Advisers, the U.S. Department of Energy Interlaboratory Working Group, and the Stanford Energy Modeling Forum) are found to be seriously incomplete. Each study omits one or several of four major cost-reducing policy options, resulting in cost estimates that are far too pessimistic.

In the IPSEP study being presented, these shortcomings are overcome through the integrated evaluation of all major cost-cutting policy options within a coherent least-cost framework. Three domestic policies—a national carbon cap and permit trading program, energy efficiency-enhancing market reforms and technology programs, and recycling of permit auction revenues into economically advantageous tax cuts—are combined with international emission allowance trading. Find out the results of this analysis and what it could mean in terms of economics, as well as augmenting productivity, output, and welfare gains.

**Dr. Florentin Krause** is the director of IPSEP and the lead author of the research project being presented. He has 20 years of experience in researching the economics of energy efficiency and environmental policies. In the United States, he served as a staff scientist and utility least-cost planning analyst at one of the national laboratories before founding his independent research group. He has served on a number of international panels on energy efficiency and climate policy; has done extensive climate-related energy policy research for the German, Dutch, and Italian governments; and is a coauthor of the Second Assessment Report of the Intergovernmental Panel on Climate Change (UN IPCC), Working Group III. Recently, IPSEP's research on the economics of cutting carbon emissions has been the subject of "Dear Colleague" letters by bipartisan groups of leading members of the U.S. House and Senate.



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